GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3744
ANSWERED ON:13.12.2002
DOUBLE TAXATION AVOIDANCE TREATIES
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have entered into Double Taxation Avoidance Treaties with other countries;

(b) if so, the names of the countries with which India has entered into DTAT, till date;

(c) whether there have been reports of overseas investors from Mauritius pumping funds into India for destabilisationof Indian stock market;

(d) if so, whether many overseas investment companies based in Mauritius have meagre paid up capital; and

(e) if so, the corrective steps taken by Government in this regards ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN)

(a) &(b) Yes, Sir. Government have entered into comprehensive Double Taxation Avoidance Agreements (DTAAs) with 65 countries in addition to Limited DTAAs (Limited to Income from Air and Shipping Enterprises) with 10 countries as per Annexure.

(c) During the course of investigations into reported market manipulations, it was intimated by SEBI in 2001 that indications of use of certain Overseas Corporate Bodies (OCBs) for circular trading, concentration of holding, parking of shares by a fewStock Brokers were noticed. As regards pumping funds into India for buying per se is concerned, all trading by Foreign Institutional Investors (FIIs) are on delivery basis for which full money is paid.

(d) Yes, Sir. Certain Overseas Investment Companies based in Mauritius have meagre paid up capital.

(e) With effect from 29.11.2001, OCBs are not permitted to invest under the Portfolio Investment Scheme (PIS) in India.

ANNEXURE TO LOK SABHA UNSTARRED QUESTION No. 3744 for 13th December, 2002

A LIST OF THE COUNTRIES WITH WHOM INDIA IS MAINTAINING COMPREHENSIVE DOUBLE TAXATION AVOI TREATIES As on 13TH DECEMBER, 2002 (AS NOTIFIED IN THE GAZETTE OF INDIA)

Sl.No.Name of the Country Sl.No. Name of the Country

1. Australia 34. Nepal

2. Austria 35. The Netherlands

3. Bangladesh 36. New Zealand

4. Belgium 37. Norway

5. Belarus 38. Oman
6. Brazil 39. Philippines

7 Bulgaria 40. Poland

8. Canada 41. Portugal

9. China
10. Cyprus
11. Czech Republic
12. Denmark
13. Finland
14. France
15 FRG
16 Greece
17 Hungary
18 Indonesia
19 Ireland
20 Israel
21. Italy
22. Japan
23. Jordan
24. Kazakstan
25. Kenya
26. Krygyz Republic
27. Libya
28. Malaysia
29. Malta
30. Mauritius
31. Mongolia
32. Morocco
33. Namibia
42. Qatar
43. Romania
44. Russian Federation
45. Singapore
46. South Africa
47. South Korea
48. Spain
49. Sri Lanka
50. Sweden
51. Swiss Confederation
52. Syria
53. Tanzania
54. Thailand
55. Trinidad & Tobago
56. Turkey
57. Turkmenistan
58. Ukrain
59. U.A.E.
60. U.A.R.(Egypt)
61. U.K.
62. U.S.A.
63. Uzbekistan
64. Vietnam
65. Zambia

B. LIST OF THE COUNTRIES WITH WHOM INDIA HAS LIMITED DOUBLE TAXATION AVOIDANE TREATIES (LIMI INCOME FROM AIR AND SHIPPING ENTERPRISES)ON 13TH DECEMBER, 2002 (AS NOTIFIED IN THE GAZETTE INDIA)

S.NO.	NAME OF THE COUNTRY	S.NO.	NAME OF THE COUNTRY
1.	AFGANISTAN	6.	PAKISTAN
2.	ETHIOPIA	7.	P.D.R. YEMEN
3.	IRAN	8.	SAUDI ARABIA
4.	KUWAIT	9.	UNITED ARAB EMIRATES
5.	LEBANON	10.	YEMEN ARAB REPUBLIC